

AMENDED IN SENATE AUGUST 28, 2006

AMENDED IN SENATE AUGUST 23, 2006

AMENDED IN SENATE JUNE 28, 2005

AMENDED IN ASSEMBLY MAY 27, 2005

AMENDED IN ASSEMBLY MAY 2, 2005

AMENDED IN ASSEMBLY APRIL 21, 2005

AMENDED IN ASSEMBLY APRIL 7, 2005

CALIFORNIA LEGISLATURE—2005–06 REGULAR SESSION

ASSEMBLY BILL

No. 1388

Introduced by Assembly Member Ridley-Thomas

February 22, 2005

An act to add and repeal Section 280.1 of the Public Utilities Code, relating to telecommunications.

LEGISLATIVE COUNSEL'S DIGEST

AB 1388, as amended, Ridley-Thomas. Telecommunications: California Teleconnect Fund Administrative Committee Fund: grant programs.

(1) Existing law establishes the California Teleconnect Fund Administrative Committee to advise the Public Utilities Commission regarding the commission's responsibilities for the development, implementation, and administration of a program to advance universal telephone service by providing discounted rates to qualifying schools, libraries, hospitals, health clinics, and community organizations. Existing law establishes the California Teleconnect Fund

Administrative Committee Fund in the State Treasury, and provides that moneys in the fund, collected by telephone corporations in utility rates authorized by the commission and deposited into the fund, may only be expended for the purposes authorized, upon appropriation in the annual Budget Act. The annual Budget Act for 2003 provided for a loan of \$150,000,000 to the General Fund from the California Teleconnect Fund Administrative Committee Fund. Existing law provides for the repayment of that loan.

This bill would authorize the commission to establish, until January 1, 2013, a Community Based Supplemental Education Demonstration Grant Program and a Telemedicine Demonstration Grant Program, meeting certain requirements, with all funding for the programs coming from the moneys repaid to the fund from the moneys loaned by the fund to the General Fund in the annual Budget Act of 2003. Awards under the grant programs would be for the purpose of providing advanced telecommunications network services to community technology programs and to public libraries, as defined, that deliver supplemental education services to pupils, and to health care facilities, as defined, that provide telemedicine services.

Under existing law, a violation of the Public Utilities Act or an order or direction of the commission is a crime.

Because the provisions of this bill would be a part of the act and because a violation of an order or decision of the commission implementing its requirements would be a crime, the bill would impose a state-mandated local program by creating a new crime.

(2) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 280.1 is added to the Public Utilities
- 2 Code, to read:
- 3 280.1. (a) Moneys paid to the California Teleconnect Fund
- 4 Administrative Committee Fund in repayment of the one hundred

1 fifty million dollar (\$150,000,000) loan to the General Fund
2 made pursuant to Item 8660-011-0493 of Section 2.00 of the
3 Budget Act of 2003 (Chapter 157 of the Statutes of 2003) shall
4 be deposited into the fund and, upon appropriation by the
5 Legislature, may be expended for the purpose of providing
6 advanced telecommunication network services to community
7 technology programs and to public libraries, that deliver
8 supplemental education services to pupils in grades 6 to 12,
9 inclusive, and to health care facilities that offer telemedicine
10 services. Moneys repaid to the fund shall not be expended for
11 any purpose other than as authorized by this section or Section
12 280.

13 (b) For purposes of this section, the following terms have the
14 following meanings:

15 (1) "Administering entity" means the entity selected pursuant
16 to subdivision (c).

17 (2) "Community College off-campus center" means a center
18 providing services and functions pursuant to Chapter 5
19 (commencing with Section 88530) of Part 52 of the Education
20 Code.

21 (3) "Community technology program" means a program that is
22 provided by a community-based organization that has tax-exempt
23 status pursuant to Section 501(c)(3) of the Internal Revenue Code
24 and is engaged in diffusing telecommunications technology in
25 local communities and training local communities in the use of
26 telecommunications technology, that otherwise would have no
27 access, or only limited access, to the Internet and other advanced
28 telecommunications technologies.

29 (4) "Health care facility" means a facility that has tax-exempt
30 status pursuant to Section 501(c)(3) of the Internal Revenue Code
31 and that provides health care services directly to patients,
32 including, but not limited to, a hospital, as defined in subdivision
33 (a) of Section 124840 of the Health and Safety Code, or located
34 in a rural Medical Study Area, as defined by the Office of
35 Statewide Health Planning and Development and in accordance
36 with the most recent census, a licensed primary care clinic, as
37 defined in paragraph (1) of subdivision (a) of Section 1204 of the
38 Health and Safety Code, a hospital outpatient department located
39 in a health care shortage area and certified as a Rural Health
40 Clinic by the Secretary of Health and Human Services, a tribal

1 health clinic exempt from state licensing pursuant to subdivision
2 (c) of section 1206 of the Health and Safety Code, a diagnostic or
3 treatment center, a neuropsychiatric or mental health facility, a
4 hospice, or a nursing home.

5 (5) “Local educational agency” means a school district,
6 including each school within the district, or a county office of
7 education.

8 (6) “Online learning resources” means community technology
9 programs involved in activities that include one or more of the
10 following:

11 (A) Providing pupils with access to online courses in subject
12 areas required for graduation from middle school or high school.

13 (B) Providing pupils with access to online tutoring or to
14 support pupils’ work in subject areas required for graduation
15 from middle school or high school.

16 (C) Providing pupils with a tutor that provides assistance with
17 accessing online information and digital resources for use as part
18 of homework assignments.

19 (D) Providing pupils with a tutor who will provide remedial
20 instruction using online resources.

21 (E) Preparing pupils for employment using online courses or
22 materials, or by enabling online collaboration with industry
23 professionals.

24 (F) Online coaching provided by high school or college
25 counselors or financial aid experts.

26 (G) *Providing teachers with training in technology so they*
27 *have the capacity to assist students in accessing online*
28 *resources.*

29 (7) “Public library” means ~~one or more libraries that are~~
30 ~~operated by a single public jurisdiction and that serve the general~~
31 ~~public without discrimination.~~ *a library, or two or more*
32 *libraries, operated as a single entity by one or more public*
33 *jurisdictions and that serve the general public without*
34 *distinction.*

35 (8) “Telemedicine” means the practice of health care delivery,
36 diagnosis, consultation, treatment, transfer of medical data, and
37 education using interactive audio, video, or data
38 communications.

39 (c) The commission, in consultation with the California
40 Teleconnect Fund Administrative Committee, may appoint a

1 third-party administrator, or more than one administrator, to
2 administer the grant programs that may be established under this
3 section. Any third-party administrator appointed by the
4 commission shall demonstrate all of the following:

5 (1) Experience working with low-income or underserved
6 communities.

7 (2) Knowledge about, and experience in, community
8 technology programs.

9 (3) The ability to implement a process for applying for and
10 recommending the awarding of grants that results in grants being
11 awarded based upon merit.

12 (4) Experience and responsibility in managing and
13 administering public trust or charitable funds.

14 (d) (1) Not more than five hundred thousand dollars
15 (\$500,000) per fiscal year may be expended for the state's
16 administration pursuant to this section.

17 (2) Upon notification by the commission, the Controller shall
18 pay all grant awards, for the purposes enumerated in this section
19 from the moneys appropriated pursuant to this section. The
20 eligibility of each award shall be determined by the commission,
21 consistent with any procedures or rules adopted by the
22 commission in consultation with the California Teleconnect Fund
23 Administrative Committee.

24 (e) (1) Upon the appropriation of moneys in the annual
25 Budget Act for the purposes of this section, the commission may
26 establish the Community Based Supplemental Education
27 Demonstration Grant Program to demonstrate the benefits of
28 community technology programs and public libraries that use the
29 advanced telecommunications networks of California's
30 educational entities to deliver supplemental educational services
31 to pupils.

32 (2) Consistent with any procedures or rules established by the
33 commission, in consultation with the California Teleconnect
34 Fund Administrative Committee, the commission may provide
35 community technology programs and public libraries with grants
36 pursuant to the Community Based Supplemental Education
37 Demonstration Grant Program. Grants shall be awarded on the
38 basis of competitive merit, ~~for a five-year period,~~ subject to
39 criteria to be established by the commission, in consultation with
40 the California Teleconnect Fund Administrative Committee. *In*

1 *any fiscal year in which a grant is awarded, the amount of the*
2 *grant shall cover a five-year period.* The criteria shall ensure that
3 funds are widely disbursed, and available to both urban and rural
4 areas. Grants shall be awarded to qualifying community-based
5 organizations that are exempt from taxation under Section
6 501(c)(3) of the Internal Revenue Code, and public libraries, for
7 the purpose of funding projects that demonstrate the capacity for
8 community technology programs and public libraries to increase
9 the academic achievement of pupils in grades 6 to 12, inclusive,
10 through the use of online learning resources. Grants may be
11 renewed on an ongoing basis, every five years, provided that the
12 community technology program or public library can
13 demonstrate that the program has contributed to the academic
14 achievement of pupils served.

15 (3) A community technology program or public library may
16 apply for and receive grants pursuant to the Community Based
17 Supplemental Education Demonstration Grant Program, to pay
18 costs associated with all of the following:

19 (A) All of the one-time costs for installing circuits, including
20 special construction charges that may be required by a service
21 provider, that transmit data at or above 1.54 megabits-per-second
22 between the site of a community technology program or public
23 library and a county office of education, a campus of the
24 California Community Colleges, a Community College
25 off-campus center, a campus of the California State University,
26 or a campus of the University of California.

27 (B) Up to an additional 30 percent discount for the costs of the
28 qualifying services the public library or community technology
29 program is otherwise eligible to receive pursuant to *this section*
30 *and* Section 280.

31 (C) Up to 50 percent of the estimated cost of the qualifying
32 services that a campus of the California Community Colleges, a
33 Community College off-campus center, a campus of the
34 California State University, or a campus of the University of
35 California would otherwise be eligible to receive if the campus
36 were eligible to receive discounts pursuant to Section 280 and
37 had a 155 megabit-per-second connection from the campus to the
38 backbone network used by local educational agencies and the
39 higher education segments, not including any costs related solely
40 to telephone service.

1 (4) Recipients of grants under the Community Based
2 Supplemental Education Demonstration Grant Program shall be
3 required, as a condition for the receipt of moneys under the
4 program, to annually report to the commission by January 1 of
5 each year, that information required by the commission to
6 evaluate the effectiveness of the program.

7 (5) The commission shall report to the Governor and the
8 Legislature by April 1 of each year, on the results of the
9 Community Based Supplemental Education Demonstration Grant
10 Program, including the effect of the program on broadband
11 subscription.

12 (6) The procedures and rules for awarding grants shall ensure
13 that the grants awarded do not exceed annual moneys available to
14 support the program and that no one applicant receive more than
15 25 percent of the designated program funds in a single fiscal
16 year.

17 (7) Any costs associated with the Community Based
18 Supplemental Education Demonstration Grant Program shall
19 only be paid from the California Teleconnect Fund
20 Administrative Committee Fund.

21 (f) (1) Upon appropriation of moneys in the annual Budget
22 Act for the purposes of this section, the commission may
23 establish the Telemedicine Demonstration Grant Program to
24 demonstrate the benefits of health care facilities that use
25 advanced telecommunications networks of California educational
26 entities or other public networks to deliver telemedicine services.

27 (2) Consistent with any procedures or rules established by the
28 commission, in consultation with the California Teleconnect
29 Fund Administrative Committee, the commission may provide
30 health care facilities with telemedicine grants pursuant to the
31 Telemedicine Demonstration Grant Program. Grants shall be
32 awarded on the basis of competitive merit, ~~for a five-year period;~~
33 subject to criteria to be established by the commission, in
34 consultation with the California Teleconnect Fund
35 Administrative Committee. *In any fiscal year in which a grant is*
36 *awarded, the amount of the grant shall cover a five-year period.*
37 The criteria shall ensure that funds are widely disbursed, and
38 available to both urban and rural areas. Grants shall be awarded
39 to a qualifying health care facility approved for discounts
40 pursuant to Section 280. Grants may be renewed on an ongoing

1 basis every five years, provided that the health care facility can
2 demonstrate effective utilization of telemedicine resources by the
3 local community.

4 (3) A qualifying health care facility may apply for and receive
5 grants pursuant to the Telemedicine Demonstration Grant
6 Program, to pay costs associated with all of the following:

7 (A) All of the one-time costs for installing circuits, including
8 special construction charges that may be required by a service
9 provider, that transmit data at or above 1.54 megabits-per-second
10 between the health care facility and a county office of education,
11 a campus of the California Community Colleges, a Community
12 College off-campus center, a campus of the California State
13 University, or a campus of the University of California that
14 agrees to provide a gateway to the education network or to
15 provide telemedicine services as defined in Section 2290.5 of the
16 Business and Professions Code. The purpose of providing the
17 gateway is to provide the eligible health care facility access to
18 telecommunications services needed to provide telemedicine
19 services and to provide access to high-speed Internet services.

20 (B) Up to an additional 30 percent discount for the costs of the
21 qualifying services the health care facility is otherwise eligible to
22 receive pursuant to the higher of this section or Section 280.

23 (C) Up to 50 percent of the estimated cost of the qualifying
24 services that a campus of the California Community Colleges, a
25 Community College off-campus center, a campus of the
26 California State University, or a campus of the University of
27 California would otherwise be eligible to receive if the campus
28 were eligible to receive discounts pursuant to Section 280 and
29 had a 155 megabit-per-second connection from the campus to the
30 backbone network used by local educational agencies and the
31 higher education segments, not including any costs related solely
32 to telephone service.

33 (4) Recipients of grants under the Telemedicine
34 Demonstration Grant Program shall be required, as a condition
35 for receipt of moneys under the program, to annually report to
36 the commission by January 1 of each year, that information
37 required by the commission to evaluate the effectiveness of the
38 program.

1 (5) The commission shall report to the Governor and the
2 Legislature by April 1 of each year, on the results of the
3 Telemedicine Demonstration Grant Program.

4 (6) The procedures and rules for awarding grants shall ensure
5 that the grants awarded do not exceed annual moneys available to
6 support the program and that no one applicant receives more than
7 25 percent of the designated program funds in a single fiscal
8 year.

9 (7) Any costs associated with the Telemedicine Demonstration
10 Grant Program shall only be paid from the California
11 Teleconnect Fund Administrative Committee Fund.

12 (g) The commission may, when necessary to provide network
13 access pursuant to subdivision (e) or (f), reimburse local
14 educational agencies and California Community Colleges for the
15 one-time costs of installing new or enhancement of existing
16 circuits that transmit data at or above 1.54 megabits-per-second
17 between the local educational agency or California Community
18 College off-campus center and the appropriate access point to the
19 backbone network used by local educational agencies and the
20 higher education segments.

21 (h) The commission shall not increase the rates authorized by
22 the commission to fund the California Teleconnect Fund
23 Administrative Committee Fund above the rates in effect as of
24 June 30, 2005, in order to fund the programs authorized by this
25 section.

26 (i) This section shall remain in effect only until January 1,
27 2013, and as of that date is repealed, unless a later enacted
28 statute, that is enacted before January 1, 2013, deletes or extends
29 that date.

30 SEC. 2. No reimbursement is required by this act pursuant to
31 Section 6 of Article XIII B of the California Constitution because
32 the only costs that may be incurred by a local agency or school
33 district will be incurred because this act creates a new crime or
34 infraction, eliminates a crime or infraction, or changes the
35 penalty for a crime or infraction, within the meaning of Section
36 17556 of the Government Code, or changes the definition of a
37 crime within the meaning of Section 6 of Article XIII B of the
38 California Constitution.

O